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RUEHLO/AMEMBASSY LONDON PRIORITY 6312  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2841  
RUEHCI/AMCONSUL KOLKATA PRIORITY 4456  
RUEHGV/USMISSION GENEVA PRIORITY 2246  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3427  
RUEKJCS/SECDEF WASHDC PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000127

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SUBJECT: NEPAL: BOUCHER STRESSES NEED FOR CONSENSUS WITH  
POLITICAL LEADERS

Classified By: Ambassador Nancy J. Powell. Reasons 1.4 (b/d)

Summary

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¶1. (C) In meetings February 11 and 12 with the head and the former head of the Communist Party of Nepal - United Marxist Leninist, which is the second-largest party in the Government of Nepal, and with the leader of the opposition, Girija Koirala of the Nepali Congress, Assistant Secretary Boucher explained that the United States is maintaining normal relations with the new Maoist-led government. However, the United States expected the Maoists, as well as the Marxist-Leninists and others, to end violence. He urged all the parties to seek consensus in drafting the constitution and completing the peace process, including the rehabilitation and integration of Maoist combatants. Post is reporting in septels on meetings with Government of Nepal ministers and with the Chief of Army Staff.

UML Leaders: Government, Constitution

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¶2. (C) On February 11, the head of the Communist Party of Nepal - United Marxist Leninist informed the Assistant Secretary that the coalition government has many problems, but that the Marxist Leninists are committed to building consensus. After the party's upcoming party convention from February 16 - 21, General Secretary Jhalanath Khanal said he is hoping to persuade the opposition Nepali Congress to join a national unity government. Former chief Madhav Kumar Nepal decried the "big gap in what we see and hear" from the Maoists. M.K. Nepal, who is the chair of the Assembly's main constitution drafting committee, stated that so far the cooperation among the various parties in his committee was "O.K.," although overall progress has been too slow. His committee has formally requested input from the parties and the public, and has created subcommittees led by respected Members of Parliament to speed up the work. The former General Secretary conceded that there are more contentious issues this time around than in 1990 when the previous constitution was drafted, including the decision for a parliamentary or presidential system. Spelling out how the federal system would work will be especially difficult, as will the problem of determining state/district boundaries.

The Maoists, Peace, Youth Force and Economics

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13. (C) The United Marxist Leninist General Secretary wondered if the Maoists will agree to place the Maoist Army under the Special Committee, as provided by the Interim Constitution. Both Khanal and M.K. Nepal questioned the Maoist commitment to multiparty democracy, particularly as the party swings from one extreme to another. Meanwhile, the Maoist rank-and-file has yet to be unschooled in thinking that power comes from the barrel of the gun. When asked by Boucher what the Marxist Leninists were looking for from the Maoists, the former General Secretary listed: the return of confiscated property; permission for the displaced to return; an end to terror and intimidation of other parties' cadres; and the demobilization of the Young Communist League. The Marxist Leninist leaders defended their own militant Youth Force (unconvincingly) as fundamentally different from the Maoists.

Khanal said the group was a temporary organization, born of necessity. With respect to economic policy, he and M.K. Nepal emphasized the importance of restructuring the economy, including adopting a "scientific land policy." Land has to be made more productive and the percentage of the population dependent on agriculture reduced. Boucher encouraged them to take advantage of Nepal's hydropower resources, noting projects take time, so it is important to get started.

Leader of Opposition: Government, Constitution, Peace Process  
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14. (C) On February 12, former Prime Minister Girija Prasad

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Koirala of the Nepali Congress was insistent that he preferred not to lead his party into the opposition, but he had no choice; the Maoists are departing from the policy of consensus, provoking the Nepal Army and disturbing the civil service. (Comment: The former Prime Minister was presumably referring to the controversy over Army recruitment and the replacement of large numbers of Nepali Congress-affiliated civil servants with Maoist cadres as well as the irregular hiring of Maoist cadres to new positions.) He accused the Maoists of threatening businesspeople, of undermining the integrity of the judiciary, and of attacking the media. Koirala said that, notwithstanding these problems, a unity government was still his desire and the country's first priority should be the new constitution -- without it, there can be no peace or stability. Koirala was unsure whether the constitution could be drafted by May 2010, as the Maoists are less interested in completing the task. Koirala also reiterated that the Army should not be politicized, and individual Maoist combatants who meet the criteria could be integrated.

Party Reform, Law and Order  
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15. (C) The Nepali Congress President, who is 83, claimed that new people will join the party and that a party congress will be held in four to five months. The Nepali Congress has young leaders, he said, and pointed to his daughter, Sujata Koirala, who is head of the party's international department and 54 years old. (Comment: By comparison, when Assistant Secretary Boucher posed the same question to Marxist Leninist leaders, M.K. Nepal said the average age of the participants in their upcoming conference would be 40, down from 45 at the last party congress in 2003.) Koirala senior admitted, however, that the party is weak and has yet to return to the villages since the Maoist insurgency ended. Former Nepali Ambassador to the United States, Dr. Suresh Chalise, indicated that it was the Maoists' responsibility to create an atmosphere for other parties to return to the countryside.

Former Nepali Ambassador to Geneva, Shambu Simkhada, said frankly that law and order was weak because the previous Congress government had accepted abuses by the Maoists and others during its term in office in the interest of the peace process. Assistant Secretary Boucher stressed the importance

of building up institutions of the state, such as the civil service and the police.

Comment

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16. (C) Assistant Secretary Boucher's February 11-12 visit to Nepal, which was the first by a senior U.S. official since the Maoist-led government was formed in August 2008, provided the political leadership here with a clear picture of U.S. policy toward Nepal, and its Maoist-led government. CPN-United Marxist Leninist leaders and former Prime Minister Koirala clearly welcomed Boucher's trip, and his affirmation that the United States intends to continue to be actively engaged here in promoting democracy and development. Both the Nepali Congress and the CPN-United Marxist Leninist have their work cut out for them. With its national party congress that started February 16, the Marxist Leninists have started the process of renewal. It's leaders realize they also need to attract the youth. The Congress' top leader, meanwhile, gives every indication that he still does not realize his party must reform itself and empower new leadership, or it will fall even further.

17. (U) Assistant Secretary Boucher has cleared this cable.  
POWELL